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Central Intelligence Agency



: APR 1986

OCA 86-1014

Mr. James M. Frey  
Assistant Director for Legislative  
Reference  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Frey:

Enclosed please find a copy of a letter from the Agency's Deputy Director for Operations to Representative Hamilton, Chairman, House Permanent Select Committee on Intelligence.

The letter responds to the Chairman's request for the views of the Agency on H.R. 3963, a bill to authorize the Department of Defense to create certain commercial entities in connection with intelligence activities.

We ask that you advise us as to whether or not submission of this letter would be consistent with the Administration's program.

Your cooperation is most appreciated.

Sincerely,



David D. Gries  
Director, Office of Congressional Affairs

Enclosure

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Central Intelligence Agency



Washington, D.C. 20505

The Honorable Lee H. Hamilton  
Chairman  
Permanent Select Committee  
on Intelligence  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for the opportunity to provide the Agency's views on H.R. 3963, the "Defense Intelligence Commercial Entities Act".

As expressed on previous occasions to the Committee, the Agency supports the efforts of the Department of Defense (DoD) to obtain enactment of legislation authorizing the establishment by DoD of certain commercial entities to facilitate the collection of intelligence. The operational tools provided by such legislation would enable DoD military intelligence collectors to gather intelligence information required by military commanders worldwide. The legislation would provide a better and more secure operating environment for DoD collectors and open access to intelligence targets not currently accessible.

The legislation, however, would neither change nor increase DoD's intelligence mission nor duplicate existing Agency activities. Any use of the authorities granted by such legislation would be coordinated with the Agency under existing DoD-Agency coordination procedures so as to avoid any duplication of effort. Upon enactment of such legislation, the Agency would continue ongoing efforts to assist DoD by providing the benefit of past experience in the area.

As you know, the Administration's proposal for legislation in this area is contained in Title V of the draft "Intelligence Authorization Act for Fiscal Year 1987" (transmitted to the Congress by letter, dated March 14, 1986, from the Acting Director of Central Intelligence). You will recall that a similar proposal was also contained in last year's draft authorization bill as transmitted to the Congress.

Legislation of this nature has the potential for creating duplication of effort and overlapping of functions. The Administration's proposal was, therefore, carefully coordinated within the Intelligence Community and the Executive Branch to avoid such problems. The end product is one which the Agency, the Community and the entire Executive Branch can support.

The Agency supports H.R. 3963 insofar as it, too, recognizes the need for legislation of this nature. Representative Whitehurst is to be commended for his recognition of that need and for his efforts in support of legislation on the subject. The Agency, however, prefers the Administration proposal because of the extensive coordination and careful balancing of interests which went into its preparation. As both Representative Whitehurst and the Department are proceeding from the same basis (i.e., the need for legislation) and their proposals are fundamentally similar, hopefully they can work together to produce legislation acceptable to both.

The Agency believes that legislation on this subject deserves careful attention by the Committee. The Agency, therefore, urges the Committee to give consideration to holding hearings on the subject. At such hearings, the need for legislation as well as the rationale behind the Administration proposal could be fully explored.

We thank you for entertaining the Agency's comments on this subject.

The Office of Management and Budget advises that submission of this report is consistent with the Administration's objectives.

Sincerely,

Clair E. George  
Deputy Director for Operations